

112 State Street
4th Floor
Montpelier, VT 05620-2701
TEL: 802-828-2358



**State of Vermont
Public Service Board**

TTY/TDD (VT): 800-253-0191
FAX: 802-828-3351
E-mail: psb.clerk@state.vt.us
Internet: <http://psb.vermont.gov>

April 23, 2015

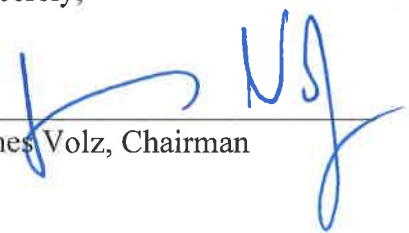
Senate Committee on Natural Resources & Energy
Senate Committee on Finance
House Committee on Natural Resources & Energy
House Committee on Commerce
Office of Legislative Council

Dear Committee Members,

Section 209(j)(4)(G) of Title 30 requires the Vermont Public Service Board to provide a report to the Vermont General Assembly annually by April 30 concerning the "prior calendar year's class of self-managed energy efficiency programs." Accordingly, I am forwarding the enclosed report to you in satisfaction of this statutory directive for the 2014 program year.

If I can be of further assistance, please let me know.

Sincerely,


James Volz, Chairman

Annual Report to the Vermont General Assembly

Pursuant to

30 V.S.A. § 209(j)(4)(G)

by the

Vermont Public Service Board

April 23, 2015

The Self-Managed Energy Efficiency Program ("SMEEP") was created in 2009 by Act 45¹ to allow eligible transmission and industrial ratepayers to manage their own energy efficiency programs and to thereby be exempted from the energy efficiency charge that funds the Energy Efficiency Utility under 30 V.S.A. § 209(d)(3). As a condition of participating in the Program, an exempt ratepayer must commit to spending an annual average of no less than \$1 million over a three-year period on energy efficiency investments. SMEEP became effective on January 1, 2010.

Pursuant to 30 V.S.A. § 209(j)(4)(G), the Public Service Board ("Board") shall report to the general assembly annually by April 30 concerning the prior calendar year's class of self-managed energy efficiency programs. The report shall include identification of participants, their annual investments, and resulting savings, and any actions taken to exclude entities from the program.

Identification of Participants

International Business Machines, Inc. ("IBM") is the only participant in SMEEP.

Annual Investments

IBM invested approximately \$1,140,271 in energy efficiency projects that were completed at its facility in 2014.

Annual Savings

IBM estimates that the investments it installed in 2014 will save approximately 3,942,840 kWh per year in electricity and 10,296 MMBTU in fuel.² In addition, IBM estimates that its 2014 investments will last for 20 years, and will save approximately 78,856,800 kWh in electricity and 209,920 MMBTU in fuel over the lifetime of these investments.

1. Public Act 45, § 14 (2009 Vt., Bien. Sess.), now codified as 30 V.S.A. § 209(j).

2. Pursuant to the program design proposed by the Department of Public Service ("Department") and approved by the Board, the Department is required to verify the savings estimated by Program participants. *See Order establishing a self-managed energy efficiency program ("SMEEP")*, 12/28/09 and attachment. As of the date of this report, this verification has not yet taken place for the calendar year 2014 estimates provided by IBM.

Actions Taken to Exclude Entities From SMEEP

Section 209(j)(4) requires that, in order to be eligible to participate in SMEEP, a ratepayer must have paid a minimum of \$1.5 million in energy efficiency charges in calendar year 2008. The Board is not aware of any entities, other than IBM, that meet this criterion, and IBM is the only entity that has applied to participate in SMEEP.³ Therefore, the Board has taken no action to exclude any entity from SMEEP.

3. In its application, IBM stated that it paid more than \$1.5 million in energy efficiency charges in 2008. *See Order establishing a self-managed energy efficiency program ("SMEEP")*, 12/28/09, at 8.